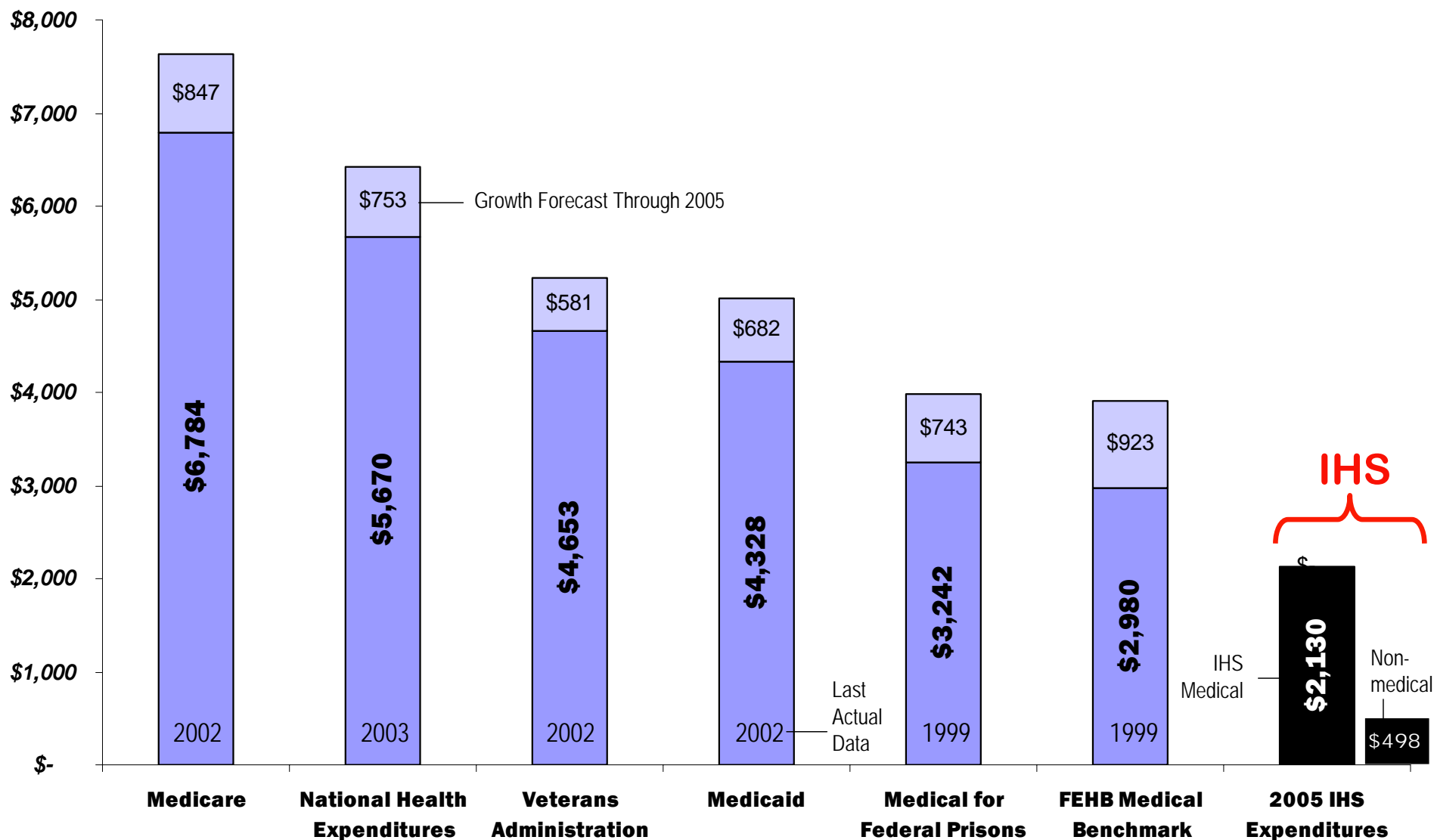
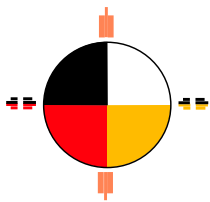


2005 IHS Expenditures Per Capita Compared to Other Federal Health Expenditure Benchmarks



See notes on reverse for data sources and forecast assumptions.

January 2006



Data Sources for Health Care Expenditures Per Capita Chart



1. **MEDICARE EXPENDITURES PER ENROLLEE:** Source – Centers for Medicare and Medicaid Services website, 2/6/2006 [http://www.cms.hhs.gov/MedicareMedicaidStatSupp/05_2004%20Edition.asp#TopOfPage]. Table 16 reports \$6,784 as the average Medicare payment per beneficiary in 2002 (the last year of published data). The historical average growth rate has varied. The 2002 per beneficiary payment is extrapolated to \$7,631 in 2005 assuming payments grew at an annual rate of 4%.
 2. **MEDICAL CARE FOR VETERANS ADMINISTRATION USERS:** Source – Veteran's Administration website, 2/6/2006 [[http://www.va.gov/vetdata/ProgramStatics/stat_app02/Table%2011%20\(02\).xls](http://www.va.gov/vetdata/ProgramStatics/stat_app02/Table%2011%20(02).xls)]. Table 1 reports \$4,653 as the national average health cost per user in 2002 (the last year of published data). The historical average growth rate has varied. The 2002 per beneficiary payment is extrapolated to \$5,234 in 2005 assuming costs grew at an annual rate of 4%.
 3. **NATIONAL HEALTH CARE EXPENDITURES PER CAPITA :** Source – Centers for Medicare and Medicaid Services website, 2/6/2006 [<http://www.cms.hhs.gov/NationalHealthExpendData/downloads/nheprojections2004-2014.pdf>]. Table 1 reports \$5,670 as the national average health care expenditure per person in 2003 (the last year of published data). CMS also projects future expenditures considering various economic factors. CMS projects \$6,423 in 2005.
 4. **MEDICAID PAYMENTS PER BENEFICIARY:** Source – Centers for Medicare and Medicaid Services website, 2/6/2006 [http://www.cms.hhs.gov/MedicareMedicaidStatSupp/05_2004%20Edition.asp#TopOfPage]. Table 111 reports \$4,328 as the average Medicaid payment per person in 2002 (the last year of published data). The historical average growth rate has varied. The 2002 per beneficiary payment is extrapolated to \$5,010 in 2005 assuming payments grew at an annual rate of 5%.
 5. **MEDICAL CARE FOR FEDERAL PRISON INMATES:** Source – General Accounting Office, Report and Testimony GAO/T-GGD-00-112, Federal Prisons-Containing Health Care Costs for an Increasing Inmate Population, April 2000. According to GAO, the medical care expenditures for federal prison inmates was \$3,242 per capita in 1999. Data for subsequent years is unavailable. Assuming a conservative growth of 3.5% annually ($< \frac{1}{2}$ the medical inflation average), the amount is extrapolated to \$3,986 in 2005.
 6. **FEHB MEDICAL CARE BENCHMARK PER IHS USER:** Source -- Indian Health Service, Level of Need Funded Report (later renamed the Federal Disparity Index Report) by the LNF Workgroup, 1999 – IHS website. The LNF study used insurance premiums for the Federal Employee Health Benefits program as a benchmark for actuarial projections for costs of equivalent benefits to IHS users. The study found an initial benchmark cost of \$2,980 for equivalent FEHB benefits when characteristics and cost risks of Indian people were considered. The annual rate of increase the BLS medical CPI was applied to the 1999 benchmark to forecast \$3,903 for 2005.
 7. **IHS EXPENDITURES PER USER:** Source -- The Indian Health Service budget and appropriations tables for 2005. Expenditures from appropriations plus collections are divided by the 2005 IHS user population to compute actual expenditures per user. The breakout for “medical care” and “non-medical” IHS programs is based on a detailed line-item analysis in 2001. These data are current and no forecast to 2005 are necessary.
-